ı			
1	EDMUND G. BROWN JR. Attorney General of California		
2	ARTHUR D. TAGGART Supervising Deputy Attorney General		
3	LESLIE A. BURGERMYER Deputy Attorney General		
4	State Bar No. 117576 1300 I Street, Suite 125		
5	P.O. Box 944255 Sacramento, CA 94244-2550	,	
6 7	Telephone: (916) 324-5337 Facsimile: (916) 327-8643 Attorneys for Complainant		
8	BEFORE THE		
9	BOARD OF PHARMACY DEPARTMENT OF CONSUMER AFFAIRS STATE OF CALIFORNIA		
10	STATE OF	LALIFORNIA	
11	In the Matter of the Accusation Against:	Case No. 3497	
12	MARIO ANTHONY GOMES 561 GABRIEL AVENUE	ACCUSATION	
13	YUBA CITY, CA 95993		
14	PHARMACIST REGISTRATION NUMBER RPH 44363		
15	TOWNS AND THE TOWN		
16	Respondent.		
17			
18			
19	Complainant alleges:		
20	PARTIES		
21	1. Virginia Herold (Complainant) brings this Accusation solely in her official capacity		
22	as the Executive Officer of the Board of Pharmacy, Department of Consumer Affairs.		
23	2. On or about August 6, 1991, the Board of Pharmacy issued Pharmacist Registration		
24	Number RPH 44363 (license) to Mario Anthony Gomes (Respondent) pursuant to California		
25	Code of Regulations, title 16, section 1709.1. The license was in full force and effect at all times		
26	relevant to the charges brought herein and will expire on October 31, 2010, unless renewed. At		
27	all times relevant herein, Respondent was the approved Pharmacy in Charge (PIC) for The		
28	Medicine Tray, 3101 Sunset Blvd., No. 2A, Rocklin, California, 95677.		

JURISDICTION

- 3. This Accusation is brought before the Board of Pharmacy (Board), Department of Consumer Affairs, under the authority of the following laws. All section references are to the Business and Professions Code (Code) unless otherwise indicated.
- 4. Section 4300, subdivision (a), of the Code states that every license issued by the Board may be suspended or revoked.
- 5. Section 118, subdivision (b), of the Code provides that the suspension, expiration, surrender, or cancellation of a license shall not deprive the Board, Registrar, or Director of jurisdiction to proceed with a disciplinary action during the period within which the license may be renewed, restored, reissued or reinstated.

STATUTORY PROVISIONS

6. Section 4301 of the Code states, in pertinent part:

The board shall take action against any holder of a license who is guilty of unprofessional conduct Unprofessional conduct shall include, but is not limited to, any of the following:

- (f) The commission of any act involving moral turpitude, dishonesty, fraud, deceit, or corruption, whether the act is committed in the course of relations as a licensee or otherwise, and whether the act is a felony or misdemeanor or not.
- (o) Violating or attempting to violate, directly or indirectly, or assisting in or abetting the violation of or conspiring to violate any provision or term of this chapter or of the applicable federal and state laws and regulations governing pharmacy, including regulations established by the board or by any other state or federal regulatory agency.
 - (p) Actions or conduct that would have warranted denial of a license.
- 7. Section 4022 of the Code states, in pertinent part:
- "Dangerous drug" or "dangerous device" means any drug .or device unsafe for self-use in humans or animals, and includes the following:
- (a) Any drug that bears the legend: "Caution: federal law prohibits dispensing without prescription," "Rx only," or words of similar import.
- (b) Any device that bears the statement: "Caution: federal law restricts this device to sale by or on the order of a _____," "Rx only," or words of similar import, the blank to be filled in with the designation of the practitioner licensed to use or order use of the device.
- (c) Any other drug or device that by federal or state law can be lawfully dispensed only on prescription or furnished pursuant to Section 4006.

8. Section 4024 of the Code states, in pertinent part:

(a) Except as provided in subdivision (b), "dispense" means the furnishing of drugs or devices upon a prescription from a physician, dentist, optometrist, podiatrist, veterinarian, or naturopathic doctor pursuant to Section 3640.7, or upon an order to furnish drugs or transmit a prescription from a certified nurse-midwife, nurse practitioner, physician assistant, naturopathic doctor pursuant to Section 3640.5, or pharmacist acting within the scope of his or her practice.

9. Section 4100 of the Code states, in pertinent part:

(a) Within 30 days after changing his or her address of record with the board... a pharmacist, ... shall notify the executive officer of the board of the change of address

10. Section 4101¹ of the Code states, in pertinent part:

(a)A pharmacist who takes charge of, or acts as pharmacist-in-charge of a pharmacy or other entity licensed by the board, who terminates his or her employment at the pharmacy or other entity, shall notify the board within 30 days of the termination of employment.

11. Section 4113² of the Code states, in pertinent part:

(a) The pharmacist-in-charge shall be responsible for a pharmacy's compliance with all state and federal laws and regulations pertaining to the practice of pharmacy.

12. Section 4305³ of the Code states, in pertinent part:

(c) Any pharmacist who takes charge of, or acts as manager of a pharmacy, who terminates his or her employment at the pharmacy, shall notify the board within 30 days of termination of employment. Failure to notify the board within the 30-day period shall constitute grounds for disciplinary action.

13. Section 4307 of the Code states, in pertinent part:

(a) Any person . . . whose license has been revoked or is under suspension, or who has failed to renew his or her license while it was under suspension, or who has been a manager, administrator, owner, member, officer, director, associate, or partner of any partnership, corporation, firm, or association whose application for a license has been denied or revoked, is under suspension or has been placed on

¹ Code section 4101 was amended effective January 1, 2010. The prior language in section 4101 is cited and quoted herein since the acts complained of occurred prior to January 1, 2010.

² Code section 4113 was amended effective January 1, 2010. The prior language in section 4113 is cited and quoted herein since the acts complained of occurred prior to January 1, 2010.

³ Code section 4305 was amended effective January 1, 2010. The prior language in section 4305 is cited and quoted herein since the acts complained of occurred prior to January 1, 2010.

	ŧΙ	
1		
2		
3		
4		
. 5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		

(d) Location of records of manufacture, sale, purchase, and disposition of dangerous drugs and devices.

16. CCR, title 16, section 1708.2 states:

Any permit holder shall contact the board prior to transferring or selling any dangerous drugs, devices or hypodermics inventory as a result of termination of business or bankruptcy proceedings and shall follow official instructions given by the board applicable to the transaction.

17. CCR, title 16, section 1709 states, in pertinent part:

- (a) Each permit to operate a pharmacy shall show the name and address of the pharmacy, the form of ownership (individual, partnership or corporation) and the pharmacist-in-charge. Each pharmacy shall, in its initial application and on the annual renewal form, report the name of the pharmacist-in-charge, the names of all owners and the names of the corporate officers (if a corporation). Any changes in the pharmacist-in-charge, or the owners, or corporate officers shall be reported to the Board within 30 days.
- (b) Any transfer, in a single transaction or in a series of transactions, of 10 percent or more of the beneficial interest in a business entity licensed by the board to a person or entity who did not hold a beneficial interest at the time the original permit was issued, shall require written notification to the board within 30 days.
- (c) The following shall constitute a transfer of permit and require application for a change of ownership: any transfer of a beneficial interest in a business entity licensed by the board, in a single transaction or in a series of transactions, to any person or entity, which transfer results in the transferee's holding 50% or more of the beneficial interest in that license.

18. CCR, title 16, section 1709.1 states, in pertinent part:.

- (a) The pharmacist-in-charge of a pharmacy shall be employed at that location and shall have responsibility for the daily operation of the pharmacy.
- (b) The pharmacy owner shall vest the pharmacist-in-charge with adequate authority to assure compliance with the laws governing the operation of a pharmacy.

19. CCR, title 16, section 1716 states, in pertinent part:

Pharmacists shall not deviate from the requirements of a prescription except upon the prior consent of the prescriber or to select the drug product in accordance with Section 4073 of the [Code].

Nothing in this regulation is intended to prohibit a pharmacist from exercising commonly-accepted pharmaceutical practice in the compounding or dispensing of a prescription.

///

26

27

28

COST RECOVERY

20. Section 125.3 of the Code provides, in pertinent part, that the Board, Registrar, or Director may request the administrative law judge to direct a licentiate found to have committed a violation or violations of the licensing act to pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case.

FACTUAL BACKGROUND

- 21. On or about May 23, 2000, the Board of Pharmacy issued Retail Pharmacy Permit License No. PHY 44817 to The Medicine Tray (TMT), 3101 Sunset Blvd., No. 2A, Rocklin, California, 95677, as a sole ownership. The Board approved Respondent as the PIC for TMT.
- 22. On or about August 8, 2002, Gomes Enterprises Inc. was incorporated as a California corporation, organized and existing under the laws of the State of California. Chantell Gomes was listed as the only director. GEI filed U.S. income tax returns including returns for 2004, 2005, and 2006, listing 3101 Sunset Blvd., #2A, Rocklin, California, 95677, that is, the address for TMT, as its business address. GEI held shareholder meetings, including the 2006 shareholder's meeting, at TMT.
- 23. On or about August 29, 2002, Gomes Enterprises Inc. issued 750 shares of stock to Chantell and Mario Gomes, as joint tenants, and 250 shares of stock to Daniel Gomes. Chantell Gomes is Respondent's former wife and subsequent to August 29, 2002, became known as Chantell Petralia. Daniel Gomes is Respondent's father. On or about October 27, 2006, GEI held a shareholders meeting wherein Respondent, Chantell Gomes, and Daniel J. Gomes were present. Respondent and Chantell Gomes acted as the Secretary and Chairperson, respectively, and signed the minutes of the meeting. Daniel J. Gomes also signed the minutes. At the shareholders meeting, GEI unanimously adopted resolutions as follows: for Respondent to provide Daniel J. Gomes payment in the amount of \$3,411.00 weekly for 52 weeks for a personal loan made by Gomes to Respondent; and, for Respondent to repay GEI commencing in January 2008, the net sum plus appropriate interest for a low interest loan, to wit, the amount of \$177,356.27, per S-Corporation Guidelines for 2008, payments to begin January 1, 2008, for 36 months, for a loan

for personal use. Chantell Gomes signed as president of GEI on the low-interest loan document. In February 2007, Respondent, Chantell Gomes, and Daniel J. Gomes wrote and signed checks on TMT's checking account at Bank of America, Sacramento, California, to each other and others.

- 24. On an unknown date after August 29, 2002, Chantell Gomes began referring to TMT as "Chantell Gomes dba The Medicine Tray." On or about July 7, 2003 and September 11, 2006, Chantell Gomes completed Medi-Cal applications in which she stated that she was the sole owner of TMT and that the pharmacy operated as a sole proprietorship. The Medi-Cal Provider Applications were submitted to the California Department of Health Care Services (DHCS) for its consideration to approve TMT as a Medi-Cal Provider. Chantell Gomes is listed as the 100% sole owner of TMT. On TMT's Medi-Cal Disclosure Statements filed with DHCS, TMT is listed as a sole proprietorship.
- 25. From on or about September 1, 2004, through September 3, 2007, TMT submitted claims to the DHCS for Medi-Cal payments for 33 drugs and 15 supplements for Medi-Cal beneficiaries, that is, HIV and AIDS patients, whose prescriptions were filled by TMT. DHCS audited TMT for the aforementioned period and found the Medi-Cal claims submitted by TMT resulted in the pharmacy receiving Medi-Cal claims overpayments totaling \$3,198,290.87 in overbilling Medi-Cal for the medications and liquid supplements to Medi-Cal beneficiaries. TMT's overbilling included: submitting Medi-Cal claims for HIV and AIDS medications for 30 or 60 day quantities (pursuant to physician prescriptions for those quantities) when the medication supplier's records for TMT showed the pharmacy had only supplied 28 day or 56 day quantities to its customers per month; initiating prescriptions for excessive amounts of liquid supplements for Medi-Cal beneficiaries; and, after the fact, sending the prescriptions for liquid supplements to physicians for approval.
- a. The prescription drugs are: Reyataz (150 mg and 200 mg); Viread (300 mg); Norvir (100 mg); Truvada tab; Combivir tab; Trizivir tab; Viramune (200 mg); Kaletra (33.3-133.3 mg and 50-200 mg); Sustiva (600 mg); Epzicom tab; Marinol (5 mg and 10 mg); Epivir (150 mg and 300 mg); Ziagen (300 mg); Lexiva (700 mg); Zerit (30 mg and 40 mg); Valcyte (450 mg); Viracept (250 mg and 625 mg); Zyprexa (10 mg); Oxandrin (2.5 mg); Emtriva (200 mg);

and Atripla tab. Each of the afore-mentioned medications is a dangerous drug within the meaning of Code section 4022.

- b. The liquid supplements are: Boost Diabetic Liquid; Boost Energy Drink; Boost High Protein Liquid; Boost Plus Energy Drink; Ensure w/Fiber Liquid; Ensure High Protein Liquid; Ensure Plus Liquid; Ensure Liquid 700740 (two product numbers); Glucerna Liquid; Glucerna Shake; Jevity 1 Cal Liquid; Osmolite Liquid; Pediasure Liquid; and Prosure Liquid.
- 26. On or about August 12, 2008, the DHCS completed its audit of TMT for its Medi-Cal submittals for the period of September 1, 2004, through September 3, 2007, and notified Chantell Gomes of the findings resulting from the audit. The findings in the case titled *Chantell L. Gomes dba The Medicine Tray, Provider No. PHA448170*, Case No. P-PHA-448170-110-04, included the inventory analysis found, among other things, the pharmacy's Medi-Cal claims exceeded its purchases of 33 drugs and 15 liquid supplements reviewed resulting in an overpayment to Chantell Gomes dba The Medicine Tray in the amount of \$3,198,290.87. Initially, Chantell Gomes filed an appeal of the DHCS administrative case titled *In the Matter of: The Medicine Tray*, Provider No. PHA448170, Appeal No. SR9-080-259-MJN.
- 27. On or about December 12, 2008, Chantell Gomes filed a Chapter 7 bankruptcy petition in the U.S. District Court, Eastern District of California, titled *In Re Chantell Lee Petralia aka Chantell Gomes aka Chantell Wimberly Gomes, Debtor*, Case No. 08-38356-A-7, seeking, among other things, to discharge the debt to the Medi-Cal Program administered by DHCS.
- 28. On or about May 6, 2009, TMT filed a request to withdraw its appeal in the DHCS administrative case titled *In the Matter of: The Medicine Tray, Provider No. PHA448170*, Appeal No. SR9-080-259-MJN. The DHCS issued its Notice of Acceptance of Withdrawal of Appeal on or about May 11, 2009.
- 29. On or about March 23, 2009, the DHCS filed an adversary action titled Complaint to Determine Debt to be Nondischargeable Pursuant to 11 U.S.C. section 523 and Federal Rules of Bankruptcy P. Rule 4004, (Complaint) in U.S. Bankruptcy Court, Case No. 08-38356-A-7, in the matter of DHCS v. Chantell Lee Petralia aka Chantell Gomes aka Chantell Wimberly Gomes,

Adversary No. 2009-2190-A (Adversary Action). On or about April 28, 2009, the Reissued Summons and Complaint and related documents for Adversary Case No. 2009-2190-A were served on the attorney for Chantell Petralia

- 30. Among other things, the Adversary Action alleges: TMT was licensed as a pharmacy by the DHCS as a Medi-Cal provider; [Chantell Gomes] Petralia and TMT agreed under penalty of perjury that all claims for goods and services were personally provided to Medi-Cal beneficiaries; certified that all information submitted to the DHCS for payment was accurate and complete; DHCS auditors performed an on-site audit at TMT on or about May 15, 2008, and determined for the audit period of September 1, 2004 to September 3, 2007, that 33 audited drugs had inventory resulting in an overpayment of \$2,638,596.28 and that 15 audited liquid supplements had an inventory shortage resulting in an overpayment of \$559,694.59 for a total of \$3,198,290.87 in overpayments by DHCS to TMT; and, the pharmacy billed DHCS for certain amounts of drugs and liquid supplements allegedly dispensed to Medi-Cal beneficiaries when TMT purchased and dispensed lesser amounts of those drugs and liquid supplements.
- 31. The Adversary Action sought the amount of the overbilling, that is, \$3,198,290.87, for prescription medicines and liquid supplements in amounts that The Medicine Tray did not actually dispense to Medi-Cal beneficiaries. Declarations under penalty of perjury submitted in support of the Adversary Action stated the demand of repayment to the DHCS of \$3,198,290.87, and that \$500,605.71 had been recouped from TMT, with the unpaid total of \$2,697,685.16 due and owing.
- 32. TMT defaulted in U.S. Bankruptcy Court and a Default Judgment and Order was issued against Chantell Petralia and TMT in favor of DHCS for relief in the amount of \$3,198,290.87 pursuant to 11 U.S.C. 523(a)(2)(A). On or about July 27, 2009, Notice of Entry of Order/Judgment in an Adversary Proceeding was entered against Chantell Lee Petralia aka Chantell Gomes aka Chantal Wimberley Gomes in Bankruptcy Case No. 08-38356-A-7 and Adversary No. 2009-02190-A.

|| ///

28 | ///

FIRST CAUSE FOR DISCIPLINE

(Committed Acts of Moral Turpitude, Dishonesty, Fraud, or Deceit)

33. Respondent's license is subject to disciplinary action under Code sections 4300 and 4301(f) on the grounds of unprofessional conduct in that Respondent committed acts of moral turpitude, dishonesty, fraud or deceit. The circumstances are described in paragraphs 21 through 26, above, incorporated by this reference.

SECOND CAUSE FOR DISCIPLINE

(Failure to Notify Board of Bankruptcy Filing)

- 34. Respondent is subject to disciplinary action under Code sections 4300 and 4301(o) on the grounds of unprofessional conduct, in violation of CCR, title 16, section 1705, as follows:
- a. <u>Violation of CCR, title 16, section 1705:</u> Respondent failed to immediately notify the Board in writing that TMT had filed a bankruptcy petition.
- b. <u>Violation of CCR, title 16, section 1705(c)</u>: Respondent failed to immediately notify the Board in writing of the disposition of the inventory of dangerous drugs and devices upon TMT's filing of a bankruptcy petition.
- c. <u>Violation of CCR, title 16, section 1705(d)</u>: Respondent failed to immediately notify the Board in writing of the location of records of manufacture, sale, purchase, and disposition of dangerous drugs and devices upon TMT's filing of a bankruptcy petition.

THIRD CAUSE FOR DISCIPLINE

(Failure to Contact Board Prior to Transferring or Selling Dangerous Drugs)

- 35. Respondent's license is subject to disciplinary action under Code sections 4300 and 4301(o) on the grounds of unprofessional conduct in that Respondent failed to notify the Board prior to TMT transferring or selling any dangerous drugs, devices or hypodermics inventory as a result of TMT terminating the business or filing bankruptcy proceedings, in violation of CCR, title 16, section 1708.2.
- | ///
- 27 | ///

28 | ///

FOURTH CAUSE FOR DISCIPLINE

(Failure To Notify Board Of Pharmacy Ownership Change)

- 36. Respondent's license is subject to disciplinary action under Code sections 4300 and 4301(o) on the grounds of unprofessional conduct in that Respondent failed to notify the Board in violation of CCR, title 16, section 1709 as follows:
- a. <u>Violation of section 1709(a):</u> Respondent failed to report to the Board the names of all owners and names of corporate officers, or changes thereto, within 30 days from TMT's August 8, 2002, incorporation.
- b. <u>Violation of section 1709(a)</u>: Respondent failed to report to the Board the names of all owners and the names of corporate officers on TMT's annual renewal form
- c. <u>Violation of section 1709(b)</u>: Respondent failed to submit written notification to the Board within 30 days of the transfer of 10 percent or more of the beneficial interest in TMT to a person or entity not holding that interest at the time of the issuance of the original permit.
- d. <u>Violation of section 1709(c)</u>: Respondent transferred a permit and failed to apply for a change of ownership of TMT due to the change in beneficial interest in the TMT license or permit.

FIFTH CAUSE FOR DISCIPLINE

(Deviated from Requirements of Prescription)

37. Respondent's license is subject to disciplinary action under Code sections 4300 and 4301(o) on the grounds of unprofessional conduct in that Respondent deviated from the requirements of a prescription when he filled or re-filled prescriptions and dispensed the dangerous drugs listed in paragraph 25.a, above, incorporated herein by reference, in amounts less than that prescribed by the physician for the AIDS or HIV positive patients, without the prior consent of the prescriber, in violation of CCR, title 16, section 1716, and Code section 4024(a).

SIXTH CAUSE FOR DISCIPLINE

(Failure to Timely Notify Board of Change in Address)

38. Respondent's license is subject to disciplinary action under Code sections 4300 and 4301(o) on the grounds of unprofessional conduct in that Respondent failed to notify the Board

executive officer within 30 days after changing his address of record with the Board, in violation of Code section 4100(a).

SEVENTH CAUSE FOR DISCIPLINE

(Failure to Timely Notify Board of Termination of Employment – Section 4101)

39. Respondent's license is subject to disciplinary action under Code sections 4300 and 4301(o) on the grounds of unprofessional conduct in that Respondent failed to notify the Board within 30 days of his termination of employment from TMT, in violation of Code section 4101.

EIGHTH CAUSE FOR DISCIPLINE

(Failure to Timely Notify Board of Termination of Employment – Section 4305)

40. Respondent's license is subject to disciplinary action under Code sections 4300 and 4301(a) on the grounds of unprofessional conduct in that Respondent failed to timely notify the Board within 30 days of his termination of employment from TMT, in violation of Code section 4305.

NINTH CAUSE FOR DISCIPLINE

(Acts or Conduct Warranting License Denial)

41. Respondent's registration is subject to discipline under Code sections 4300 and 4301(p) on the grounds of unprofessional conduct in that Respondent committed acts or engaged in conduct involving dishonesty, fraud, or deceit with the intent to substantially benefit himself or another or substantially injure another that would warrant denial of a pharmacist registration within the meaning of Code sections 480(a)(2) and 480(3(B). The circumstances are set forth in paragraphs 21 through 26, above, incorporated by reference. Said acts or conduct are substantially related to the qualifications, functions, or duties of the licensed profession of pharmacist.

TENTH CAUSE FOR DISCIPLINE

(Prohibition for Respondent Serving as Pharmacy Manager, Administrator,
Owner, Member, Officer, Director, Associate or Partner)

42. Under Code section 4307, if discipline is imposed on Pharmacist Registration

Number RPH 44363 issued by the Board to Respondent, then Respondent should be prohibited

from serving as a manager, administrator, owner, member, officer, director, associate, or partner 1 of any partnership, corporation, firm, or association if it is found that Respondent had knowledge 2 or knowingly participated in any conduct for which his license was revoked, suspended, or placed 3 on probation. 4 5 **PRAYER** WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged, 6 7 and that following the hearing, the Board of Pharmacy issue a decision: Revoking or suspending Pharmacist Registration Number RPH 44363 issued to 1. 8 Respondent Mario Anthony Gomes; 9 Ordering Respondent Mario Anthony Gomes to pay the Board of Pharmacy the 10 reasonable costs of the investigation and enforcement of this case, pursuant to Business and 11 Professions Code section 125.3; 12. 3. Taking such other and further action as deemed necessary and proper. 13 14 15 VIRGIN 16 Executive)Officer Board of Pharmacy 17 Department of Consumer Affairs State of California 18 Complainant 19 20 SA2009102693/10584888 21 22 23 24 25 26 27 28